

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: OCTOBER 21, 2009

DEPARTMENT: FINANCE AND BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

☐ Consent ☒ Discussion

SUBJECT:

ABEYANCE ITEM - Report on Purchasing and Contracts Bid Processes

Fiscal Impact

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No Impact

☐

Augmentation Required

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Budget Funds Available

Amount:

Funding Source:

Dept./Division: Finance and Business Services

PURPOSE/BACKGROUND:

Due to the economy, competition has greatly increased for City of Las Vegas contracts, especially construction contracts. This is welcomed, as the competition helps provide a broader blend of potential businesses and helps lower the City's costs. One aspect of the competition in this economic environment is that bid protests have increased. As a result, we issued a City Manager Information Report on September 14, 2009 regarding the City's bid processes. This report will serve to communicate this information to the public. This item was held in abeyance at the 10/7/2009 City Council meeting.

RECOMMENDATION:

No action required.

BACKUP DOCUMENTATION:

1. Overview of Bid and Bid Protest Process
2. PowerPoint Presentation

Minutes:

CITY MANAGER ELIZABETH FRETWELL explained that because of intense discussion relative to the processing of contracts, the Council asked staff to prepare a comprehensive report detailing all procedures, how it relates to State Statutes and the final outcome. KATHY RAINEY, Manager of Purchasing and Contracts and DEPUTY CITY MANAGER JAMES NICHOLS reviewed the purpose and background and gave a PowerPoint Presentation. MS. RAINEY explained that existing State laws promote competition that is fair among all bidders; it safeguards public funds and prevents waste, fraud, abuse and collusion.

Referring to the PowerPoint Presentation, MS. RAINEY explained that Nevada Revised Statute 332 governs procurement for Goods and Services while Nevada Revised Statute 338 governs Public Works Construction. Pre-bid meetings are held specifically to discuss the bid process, reply to bidder questions and ensure prospective bidders thoroughly understand the procedures,

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including the protest procedure, and requirements and are aware of deadlines. They are familiarized with the description of the work, how to obtain bid documents and how and where to submit their bids.

DEPUTY CITY MANAGER NICHOLS reviewed the three standard methods for the selection of a contractor of construction projects. He also stated that there are two key terms used to determine and evaluate who would be selected. Defined, Responsive refers to submitted bid documents being accurate and consistent. Defined, Responsible means that the contractor selected meets the qualifications and experience criteria as designated within the bid document specifications.

COUNCILMAN ROSS recalled that there have been two instances where contractors initiated bid protests. He stated that if the requirements are specifically spelled out in the bid documents, then everyone must comply so it is fair across the board and there are no questions. He emphasized that it is equally important that the Council and City staff understand the process. MS. RAINEY agreed and stated that based on the concerns expressed by the Council, there were improvements made to the process.

COUNCILMAN WOLFSON noted that when a potential bidder considers bidding on a project, a bid package is given containing all the information they would need. MS. RAINEY affirmed that to be correct and stated that her staff is available at all times to answer questions.

COUNCILMAN ROSS asked about what was being done to assist prospective suppliers, architects, women, etc., who are interested in obtaining contracts whether it be for goods and services or construction. COUNCILMAN BARLOW remarked that the City should have the flexibility to set preferences for the benefit of businesses coming in to town by adjusting NRS 338.

MAYOR PRO TEM REESE agreed with having a process in place, but he did emphasize that it is essential that the City focus on qualified bidders.

COUNCILWOMAN TARKANIAN asked MS. RAINEY to clarify what comprised the 12% minority. MS. RAINEY replied that it was a combination of all minorities. She mentioned that disparity studies are based on businesses that perform work and has nothing to do with population and noted that to conduct one of those studies is not a cheap endeavor. CITY MANAGER FRETWELL added that it would be feasible to do further research, bringing that information back to the Council.